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May 9
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NEW STORES

Home center companies have completed or plan the following store openings, additions or closings:

ALASKA

Pay 'n Save, Seattle, has acquired the **Soldotna Drug** and **Home Center, Soldotna,** and is operating it as a Pay 'n Save combination drug store/home center.

CALIFORNIA

Diamond International, Sacramento, has closed six stores, including units in **Galt, Pittsburg** and **Santa Rosa** based on a review of all its 100-plus stores. The closed outlets were shuttered due to a low potential for future growth.

FLORIDA

Scotty's, Winter Haven, has opened a replacement store in **DeLand** and plans to begin construction soon on a new store in the Gateway Mall, **St. Petersburg.**

MAINE

Diamond International has closed a store in **Norway.**

MASSACHUSETTS

Diamond International has closed a unit in **Middleton.**

Grossman's, Braintree, plans to construct a 32,000-sq.-ft. store in **Hanover.**

NEVADA

Diamond International has closed an outlet in **Reno.**

NEW HAMPSHIRE

Gerrity Building Centers, Meredith, plans to open a unit in **Tilton** at a former automobile dealership.

NEW JERSEY

Home Supply and Lumber, Hawthorne, plans to rebuild its store after an electrical fire recently damaged the facility. A spokesman said the new store will feature 6,000 sq. ft. of space and may be opened in June.

Channel Home Centers, Whippany, has opened its 42nd outlet in the state, a 40,700-sq.-ft. unit in a former Two Guys discount store in **Hackensack.**

NEW YORK

Pergament Home Centers, Melville, has opened a new store in **Bay Shore.**

NORTH CAROLINA

Hechinger, Landover, Md., has debuted its first units in North Carolina in **Winston-Salem** and two in **Charlotte.** The company now has 37 outlets overall.

C.P.S.C.

(Continued from page 10)

tion of pressed wood products was prompted by 2100 complaints which charged that particle board and plywood manufactured with urea-formaldehyde resins emit gases that are hazardous to the health.

In addition to consumer complaints that exposure to pressed wood products containing formaldehyde results in itching eyes, skin rash and nausea "many leading scientists have stated that formaldehyde" can cause cancer, Federal product safety regulators said.

Commission researchers must submit a preliminary formaldehyde exposure and risk assessment report on pressed wood products by September and make a recommendation within the following year as to whether voluntary or mandatory standards are warranted.

As part of its preliminary investigation the commission will be making "unannounced visits" to manufacturers to sample various wood products. The commission will also try to formulate alternatives available to pressed wood manufacturers for reducing formaldehyde emission from their products.

FUTURES

Two weeks ended March 18, 1983

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
March	185.00	165.80	169.00	169.80	25	209.80	146.80
May	194.40	183.80	191.50	184.20	5,207	209.50	151.50
July	204.60	195.60	203.80	195.80	2,127	217.60	158.00
Sept.	211.80	202.50	210.90	202.80	1,083	221.00	163.80
Nov.	214.50	205.60	213.30	206.00	1,225	221.70	168.00
Jan. '84	220.80	212.50	220.80	212.50	355	232.00	179.00
March	227.30	220.60	227.20	220.60	149	234.00	206.50

Total Contract Vol. (Through 3/18): 25,499 **Previous Two Weeks: 29,427**
Total Open Interest (As of 3/17): 10,190 **Previous Week: 9,802**
Cash Price: $179.34 **Previous Week: $175.42** **Year Ago: $133.28**

PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.							
March	199.80	194.80	198.70	196.80	41	212.00	162.50
May	203.30	198.60	202.30	201.00	634	216.20	167.00
July	207.70	203.00	206.80	205.50	716	221.00	170.00
Sept.	210.80	206.50	210.10	208.50	446	223.90	185.00
Nov.	213.30	209.20	212.50	210.50	135	226.60	206.50
Jan. '84	215.50	209.00	215.50	212.50	18	221.00	209.00

**Revised Contract.

Total Contract Vol. (Through 3/18): 1,844 **Previous Two Weeks: 3,409**
Total Open Interest (As of 3/17): 1,990 **Previous Week: 2,035**
Cash Price: $193.06 **Previous Week: $190.12** **Year Ago: $173.46**

COMMODITY RESEARCH BUREAU INDEX:	This Week	Previous Week	Year Ago
	236.8	235.2	251.7

CME—Chicago Mercantile Exchange CBT—Chicago Board of Trade
*Figures for Thursday, March 17.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

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In addition to premium quality products, Franklin has developed a national consumer rebate program which will generate more store traffic. In the April and May issues of Mechanix Illustrated and Family Handyman, Franklin will feature a $.75 rebate on the purchase of an 11 oz. cartridge of either Franklin's Silicone Caulk, Acrylic Latex Caulk (all colors), Clear Sealant, and Rubber Caulk (white, brown, clear). Or the consumer can purchase 3 cartridges of any of these caulks and receive a $3.00 rebate check! So team up with Franklin and make these fine products your choice too!

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Photo merchandising feature:
HAND & POWER TOOLS—pp. 13-24

National Home Center News®

Vol. 9, No. 9 The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. April 25, 1983

U.S. tool makers under siege by high- and low-end imports

Imported lines spur aggressive promos of U.S. power tools

By John Caulfield
NHCN associate editor

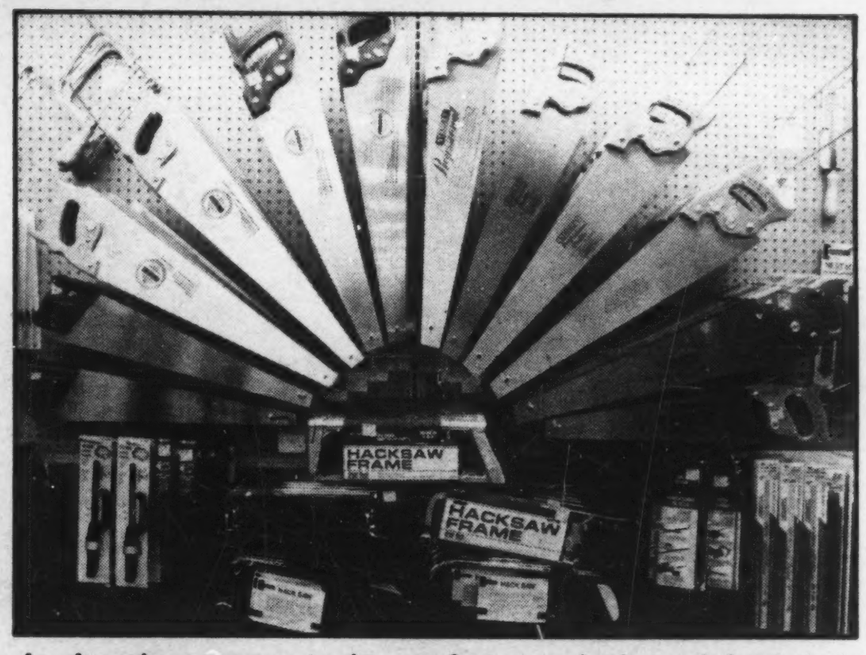
NATIONAL REPORT—The influx of imported power tools into the United States has sent domestic manufacturers scurrying to bolster their market shares by promoting better quality, higher priced tradesmen lines.

However, home center retailers, while conceding that the market for durable tools is growing, continue to question whether consumers are willing to pay as much as 40% more for heavy-duty equipment.

The disparate viewpoints appear to be setting the stage for a turbulent period for the nation's consumer power tool market.

American tool makers, feeling they can't afford the luxury of waiting any longer, are aggressively attempting to counter the remarkable impact that expensive, foreign-made tools have had in the United States. At least 15% of 1982's retail tool sales came from imports, according to manufacturing sources. American tool companies continue to dominate the low-to-middle end markets, but have faced stiff competition from foreign firms such as Makita, Ryobi, AEG and Bosch in the higher-end bracket.

(Continued on page 13)



As American power tool manufacturers look to defend their home center market share against higher end foreign equipment, United States hand tool makers are faced with the problem of competing with Asian and European producers whose merchandise is cheaper and, in some cases, of similar quality. See Merchandising Spotlight, page 17.

Denny sets sights on July 4th 'D Day' for chain's debut

By Ken Schept
NHCN senior editor

SAN ANTONIO—Home Centers of America, the warehouse-type operation being started by former W. R. Grace executives, expects to have two units opened here by Fourth of July, according to Frank Denny, chairman.

The former head of Grace's home center division predicted five to seven stores strung across the Sunbelt by the end of the first year.

Carrying about 35,000 to 40,000 sku's and $40 per square foot of inventory, the new company's stores will resemble the House Works chain recently opened by Grace in New Orleans.

A prospectus was filed with the Securities and Exchange Commission on March 28, and 800,000 units have been issued at $6.25 each. A unit consists of two shares and two common stock purchase warrants, essentially options to buy additional shares at $5 in the second and third year of the chain's operation.

Mature stores should do about $1 million per month in volume, Denny said. However, unlike other warehouse-type operations, the strategy is not necessarily to be the lowest in price.

Markets will be targeted that are not already dominated by strong Sunbelt competitors. In this sense, San Antonio, where Handy Dan was founded and continues to be a powerful force, is an exception to the young company's plans.

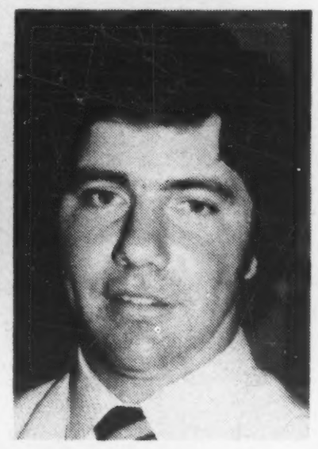
"It's a difficult market," said Denny. "It's not our objective to meet Handy Dan anyplace else if we can help it."

Two former Woolco sites were available in San Antonio and they will house 75,000- and 82,000-sq.-ft. units, with the latter also incorporating the chain's headquarters offices.

"San Antonio is kind of like home. And the opportunity with the Woolcos was here. I love to fight," Denny continued. "But I also love to win."

Like Denny, who was involved in the founding of Handy

(Continued on page 39)



An across-the-board, 20%-off discount is being tested at the La Puente, Calif., Homeowners DIY store; (inset)Hal Smith, president and ceo.

Homeowners DIY testing discount pricing formula

By Brad Altman
West Coast editor

LA PUENTE, Calif.—Homeowners DIY Centers has slashed its regular prices 20% at its store located in this Los Angeles suburb in a 90-day test of a discount pricing formula that will be instituted chainwide if judged successful by company officials.

The experiment will be implemented in Homeowners' four other stores by mid-July if La Puente's lowered prices can boost existing sales volume by 25% to 30%, officials said.

The decision whether to expand the low-margin, high-volume format chainwide will be made in late May, said Hal Smith, president and ceo.

"We'll open two to three new stores under the format by late this year if the La Puente experiment works," Smith said.

Smith said the new pricing strategy will inevitably be compared with the "warehouse-style" of merchandising now making inroads in the home

(Continued on page 42)

Distributors pursuing DIY sales despite home building comeback

WHOLESALER OUTLOOK

NATIONAL REPORT—For the first time in several years, wholesale distributors expect stronger sales not only from retailers selling to consumers but also from those dealers catering to contractors hoping to cash in on anticipated growth in the home building market.

However, most distributors said they were reluctant to greatly expand their inventories or product offerings, having gone through two rough years of cutting back on stock and personnel just to survive. It appears that wholesalers are looking to better define just who their customers are, and are adjusting their merchandise mix accordingly.

Many of those distributors meet in San Francisco this week at the National Building Material Distributors Assn. semiannual convention in a mood of optimism tempered with caution about whether the recovery in housing starts—and the economy in general—will result in their businesses showing sustained increases in sales and profitability.

Most predict modest sales gains and slight profitability for this year, while admitting that earnings have no place to go but up.

And while wholesalers are buying cautiously, they are buying. At the annual Builder Marts of America dealers show, $45 million of products were recently sold in 17 hours.

"The survivors in this industry are strong and lean and have identified that some of the market has moved away from them permanently," said C. C. Snyder, BMA director of purchasing. "So wholesalers are looking to make a new niche for themselves and have decided just how much retail or contractor business they can bite off."

One firm biting off more this year is Slaughter Bros., Richardson, Tex., which expects a 10% increase in volume.

The company has taken on certain products, like additional millwork and rail door stock, to accommodate contractors.

Overall, the wholesaler has expanded its nonlumber inven-

(Continued on page 42)

NEWSBREAKS

LOWE'S ADDS TO MANAGEMENT. Lowe's has created a senior vice president of merchandising position, to be filled by Robert Swanson, formerly national merchandise manager for building materials and home improvement products at Montgomery Ward.

CHANNEL VET TO HANDYMAN. After 13 years with Channel Home Centers, Whippany, N.J., Tom Vertetis, vice president and general merchandise manager, is leaving to become senior vp and gmm at Handyman, San Diego.

INSIDE:

HANDY ANDY'S NEW VP-GM is aggressively remerchandising the small Tucson, Ariz., based chain ..... Page 3
PAYLESS CASHWAYS unveiled its new 30,000-sq.-ft. prototype in Columbus, Ohio ..... Page 3
HOMEOWNERS SPENT SLIGHTLY more on upkeep during the 4th quarter of 1982, the Commerce Dept. reports ... Page 4

NHCNews Briefs

Industry Update

New pres. at American Maize

STAMFORD, Conn.—Richard R. Anglin has been named president of American Maize Products' building materials division replacing Fred Dill Jr.

Anglin previously served as president and general manager of Sherwin-William's store division and spent 20 years with Sears.

In his new role he will manage the more than 40 home centers American Maize operates in New York, Pennsylvania and Connecticut under the names Lloyd Lumber, Lloyd's of Pennsylvania, Buchanan Building Supply and Briggs Lumber.

Dill, the last of the original owners of Lloyd Lumber, Danbury, Conn., which was acquired by American Maize in 1979, resigned to pursue a political career. He now serves on the Brookfield, Conn., board of finance and plans to run for town selectman next November.

B & B introduces 'Bud Bee' logo

ST. LOUIS—Eclipse Industries here is buzzing with a new symbol for its circular advertising.

The company, which operates eight B&B Home Supply Centers, has "Bud Bee," a bee clad in painter's cap and overalls, urging customers to shop the stores.

"Our ad director, Ron Vivod, came up with the character about a month ago, and we thought it was outstanding," said chain merchandising vp Bruce Feinstein. "It's simple, it has the 'B&B' name in it, and gets our message across." In the text accompanying the new company symbol, customers are reminded of Eclipse stores' service and expanded product offering.

This is the first time the chain has employed a character to represent it in its advertising.

Crown Zellerbach closes sale

SAN FRANCISCO—Crown Zellerbach has completed the sale of its Canadian holdings, including its 32 home centers, to Fletcher Challenge Ltd. of New Zealand for $246 million in cash and notes (*NHCN*, Feb. 28).

The sale received Canadian government approval late last month and the deal was consummated about a week after the approval.

The transaction involves the sale of Crown's 84% interest in Crown Zellerbach Canada and 100% of the shares of North Pacific Steamship Co., the Bahamas, to Fletcher Challenge, which has interests in merchant banking and forest products along with 58 New Zealand home centers.

Lowe's executives to be honored

NORTH WILKESBORO, N.C.—Robert Strickland, Lowe's chairman, and Leonard Herring, the company's president, have been selected to be honored by the Hardware/Home Improvement Industry Council of the City of Hope on Aug. 16, during the National Hardware Show at the Conrad Hilton in Chicago.

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Vol. 9, No. 9 April 25, 1983

HomeOwners Warehouse cloud crashes under stress; 9 hurt

By David Morgan
NHCN field editor

COCONUT CREEK, Fla.—Nine people were injured March 27 at the HomeOwners Warehouse store here when chains supporting a 15-ft. by 100-ft. ceiling cloud broke under the weight of the display.

According to local building and store officials, the ceiling cloud, containing 70 fans and 25 light fixtures, fell 10 ft. onto a sales floor stocked with electrical inventory. Eight customers and one employee standing near the display escaped with cuts and bruises. The most serious injuries were sustained by an 80-year-old woman who was admitted to a local hospital and released the next day.

Damages to inventory and the ceiling cloud itself were said to run in the thousands of dollars.

HomeOwners' president Pat Sher said the display collapsed just after noon, on a day when the store was featuring "aggressive" price reductions on ceiling fans. "I would guess that there were about 20 people in that section of the store," Sher said, "but [the cloud] came down in sections so there was time to get out of the way.

"It didn't fall directly on top of anyone," he added.

Sher ordered the 70,000-sq.-ft. store closed after learning of the accident. Building inspectors from the city's community development department, who arrived after the injured had been removed, stayed on the scene until early the next day. According to Sher, store employees still were able to clean up the debris and erect a temporary tree-like display by the time the store reopened for regular business hours later that morning.

No Effect

The Coconut Creek store, the first of two HomeOwners Warehouse units to begin operation by this summer, had its grand opening debut less than three weeks before the mishap occurred. Sher said news of the injuries had no debilitating effect on business, however. He would not elaborate on what the volume level has been, but indicated it was above expectations.

"It happened on a Sunday," the president said, "and the next Monday and Tuesday were the best we've had

In the meantime, Dennis Mele, the city's community development director, said an ongoing study of the accident and its causes shows that the cloud may have been stocked and suspended improperly. The official said preliminary reports point to violations of a permit amending the store's certificate of occupancy.

"One of our inspectors noticed the cloud back in January, and told the store owners they would need the engineer who designed the building to certify that the ceiling could support it," Mele recalled. "The engineer said the building could support the cloud if it met a certain design that called for a wooden grid, one strip of molding and up to 84 fans."

However, the community development director said the cloud ended up holding a prefab lighting display, facia boards, plywood sheets, an electrical conduit and electrical boxes. He said support chains also had not been fastened to either the cloud or ceiling joists in the manner prescribed by engineering specifications.

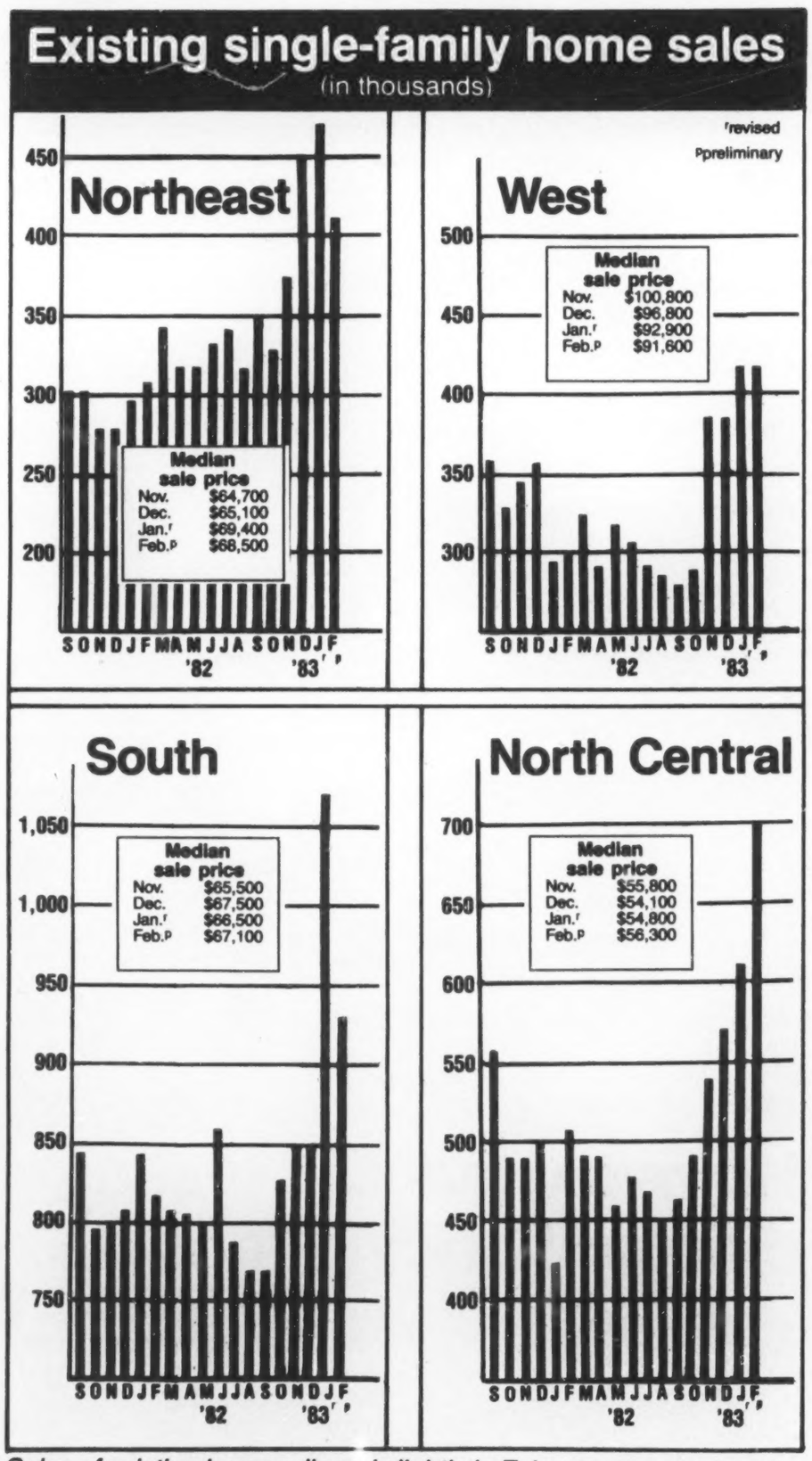
Mele released no further details, however, saying the matter is still under study.

Nine people were injured when a ceiling cloud displaying lighting products collapsed at this HomeOwners Warehouse, Coconut Creek, Fla., just three weeks after its grand opening. NHCN photo

Sher could not be reached by presstime for his comment on the community development director's assertions. In an earlier interview, however, the HomeOwners' president said the ceiling cloud had been designed and installed by an outside contractor, whom he did not identify.

When asked to comment on potential liabilities, Sher said no complaints had been filed by injured parties but would not speculate on future possibilities.

"I know we are properly insured, so the company faces no direct loss," he surmised. "The insurance covers the display, the inventory and customer liability."



Sales of existing homes dipped slightly in February to a seasonally adjusted annual rate of 2.47 million compared with 2.58 million in January. February's rate was 24.1% ahead of the same month in 1982 and 32.8% above the cyclical low of 1.86 million recorded last August. According to the National Assn. of Realtors the annual rate is now firmly above the two million mark, indicating that the public views housing as becoming more affordable. During the last cycle, existing home sales peaked at an annual rate of 4.02 million in November 1978.